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FOR ASST. SECY VAKY FROM AMBASSADOR

E.O., 11652: GDS

TAGS: OVIP PGOV PDIP AR

SUBJ: AMBASSADOR & COL. CERDA MEETING WITH ASST. SECY VAKY

REF: (A) STATE 226556; (B) BUENOS AIRES 7065

1. I MET WITH DR. YOFRE EVENING SEPTEMBER 8. YOFRE WENT OVER AGAIN THE HIGHLIGHTS OF THE ROME MEETING AND HIS UNDERSTANDING OF THE CURRENT STATE OF PLAY. THIS CONVERSATION ELICITED THE FOLLOWING NEW POINTS WHICH HE DID NOT MAKE IN THE EARLIER CONVERSATION REPORTED REFTEL B OR WHICH AMENDS WHAT HE SAID IN THAT CONVERSATION IN SOME WAY:

(A) YOFRE SAID THAT ON SEPTEMBER 5 A DECISION HAD BEEN MADE TO EXTEND THE DEADLINE DATE FOR BIDS ON THE YACYRETA PROJECT FROM SEPTEMBER 15 TO OCTOBER 15. YOFRE SAID THAT NOTIFICATIONS TO THIS EFFECT HAD BEEN SENT TO INTERESTED PARTIES ABROAD--INCLUDING THE EX-IM BANK. HE EXPLAINED THIS MOVE AS INTENDED TO ACCOMMODATE INTERESTED PARTIES IN EUROPE WHO NEEDED MORE TIME TO PUT TOGETHER REQUISITE INFORMATION IN CONNECTION WITH THEIR BIDS. HOWEVER, HE ALSO NOTED THAT IN ADDITION TO ALLIS CHALMERS THERE WAS ANOTHER US COMPANY WHICH PROVIDES HEAVY EARTH-MOVING EQUIPMENT THAT WAS INTERESTED IN PRESENTING A BID UNDER A FINANCING ARRANGEMENT WITH

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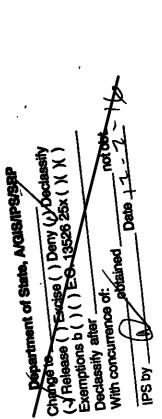
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THE EX-IM BANK.

(B) NOTWITHSTANDING THE EXTENSION OF THE BID DEADLINE, YOFRE EXPRESSED HOPE THAT THIS WOULD NOT DELAY THE TIME FRAME AGREED UPON FOR THE US EX-IM BANK DECISION (I.E.,

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BEFORE SEPTEMBER 15), THE IAHRC ANNOUNCEMENT AND THE VAKY VISIT TO ARGENTINA.

- (C) YOFRE LED ME TO BELIEVE THAT AS A RESULT OF SEVERAL FOLLOWUP MEETINGS BETWEEN LT. COL. CERDA AND AGUILAR OF THE IAHRC, THE GOA IS PREPARED TO SUBMIT A RESPONSE TO THE SET OF COMMISSION QUESTIONS WHICH THE GOA HAS REASON TO BELIEVE WILL BE ACCEPTABLE TO THE IAHRC.
- (D) I TRIED OUT ON YOFRE THE ROUGH TIMETABLE WHICH GENERAL VIOLA GAVE ME (SEPTEL), I.E. MID-OCTOBER FOR THE ARGENTINE ANNOUNCEMENT WITH REGARD TO THE COMMISSION VISIT AND LATE OCTOBER FOR THE VAKY VISIT. YOFRE NODDED THAT THIS WAS HIS UNDERSTANDING AS WELL.
- 2. YOFRE REITERATED THAT THE ARGENTINE EMBASSY IN WASHINGTON WAS NOT AWARE OF MY PROPOSED MEETING WITH ASSISTANT SECRETARY VAKY ACCOMPANIED BY COL. CERDA. YOFRE AGAIN REQUESTED THAT WE NOT REVEAL THE CERDA MISSION TO ANY MEMBER OF THE ARGENTINE EMBASSY STAFF.
- 3. YOFRE CALLED BACK TODAY TO SAY THAT CERDA HAS NOW RECEIVED INSTRUCTIONS TO PARTICIPATE IN THE MONDAY MEETING WITH VAKY. I KNOW HOW TO CONTACT HIM AND WILL MAKE THE NECESSARY ARRANGEMENTS UPON MY ARRIVAL IN THE US. CASTRO

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